

E-12



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Request from San Joaquin Partnership for \$25,000 to serve as a Partial Match for a Grant for the Stockton Metropolitan Airport

MEETING DATE: January 16, 2008

PREPARED BY: City Manager

RECOMMENDED ACTION: Deny the request from the San Joaquin Partnership for \$25,000 to serve as a partial match for a grant for the Stockton Metropolitan Airport.

BACKGROUND INFORMATION: Attached is a letter from the San Joaquin Partnership requesting that Lodi commit \$25,000 to serve as part of a matching grant for the Stockton Metropolitan Airport.

The County of San Joaquin has submitted a \$400,000 grant application for the Stockton Airport. The grant requires a match of \$400,000. The purpose of the grant is to provide marketing and revenue guarantees to a main line air carrier with direct hub service. The Council of Governments (COG) in April agreed to provide the required match. However, COG has requested that the San Joaquin Partnership seek additional support in order to reduce COG's obligation. In response to COG's request, San Joaquin Partnership has secured \$100,000 from San Joaquin County and hopes to secure \$100,000 each from the private sector and the City of Stockton. They hope to secure \$25,000 each from the cities of Lodi, Lathrop, Manteca, and Tracy.

Either the Stockton Airport is a regional transportation facility, in which case, **COG** should consider funding, or it is an enterprise activity which should provide a return on investment. If the City were being asked to make an equity contribution towards an enterprise activity, then more details of return on investment should be provided

FISCAL IMPACT: Not applicable

FUNDING: Not applicable

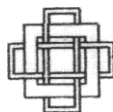


Blair King, City Manager

Attachment

APPROVED: 

Blair King, City Manager



SAN JOAQUIN PARTNERSHIP

A Private Non-Profit Economic Development Corporation Serving San Joaquin County

DEC 10 2007
CITY

December 6, 2007

Blair King
Manager - City of Lodi
PO Box 3006
Lodi, CA 95241

Re: Local Match; Small Community Air Service Development Program

Dear Blair,

In April, the San Joaquin Council of Government Board of Directors approved allowing the Stockton Metropolitan Airport Director to include \$400,000 from San Joaquin Council of Government as the local match for a Small Community Air Service Development Program Grant Application. The County has received notice of award in the full amount of \$400,000 the grant is to provide marketing and revenue guarantees to a main line air carrier with direct hub service.

To date presentation to Delta Airlines in March 2007 has been positive with discussed direct service to their Salt Lake City Hub. However, Delta may not be the committed carrier however, it is the level of service these funds are intended to attract.

The San Joaquin Council of Governments in April approved the \$400,000 local match for documentation to submit the grant within a very tight time frame. The Board members requested other agencies and the private sector be approached to reduce the San Joaquin Council of Government commitment.

Since April the Board of Supervisors has allocated \$100,000 to the match and there has been an additional \$100,000 discussed which is pending formal approval.

The intent at this time is to pursue the following distribution of the local match.

San Joaquin County	\$100,000	
City of Stockton	\$100,000	
City of Lathrop, Lodi, Manteca, and Tracy	\$100,000	
Private Sector	<u>\$100,000</u>	\$400,000
FAA Grant (allocated)		<u>\$400,000</u>
Small Community Air Service Development Program		\$800,000

As a confirming part of this effort to bring scheduled Airline Service (minimums 2 daily, 7 days a week) to the Stockton Metropolitan Airport we are requesting each of our four cities to participate with a commitment of \$25,000. I continue to work on getting confirmation with the City of Stockton and generating private sector participation of \$100,000.

After your review of this request please contact me as to our next step related to the request of the City Council consideration.

Sincerely,

Michael E. Locke, President/CEO